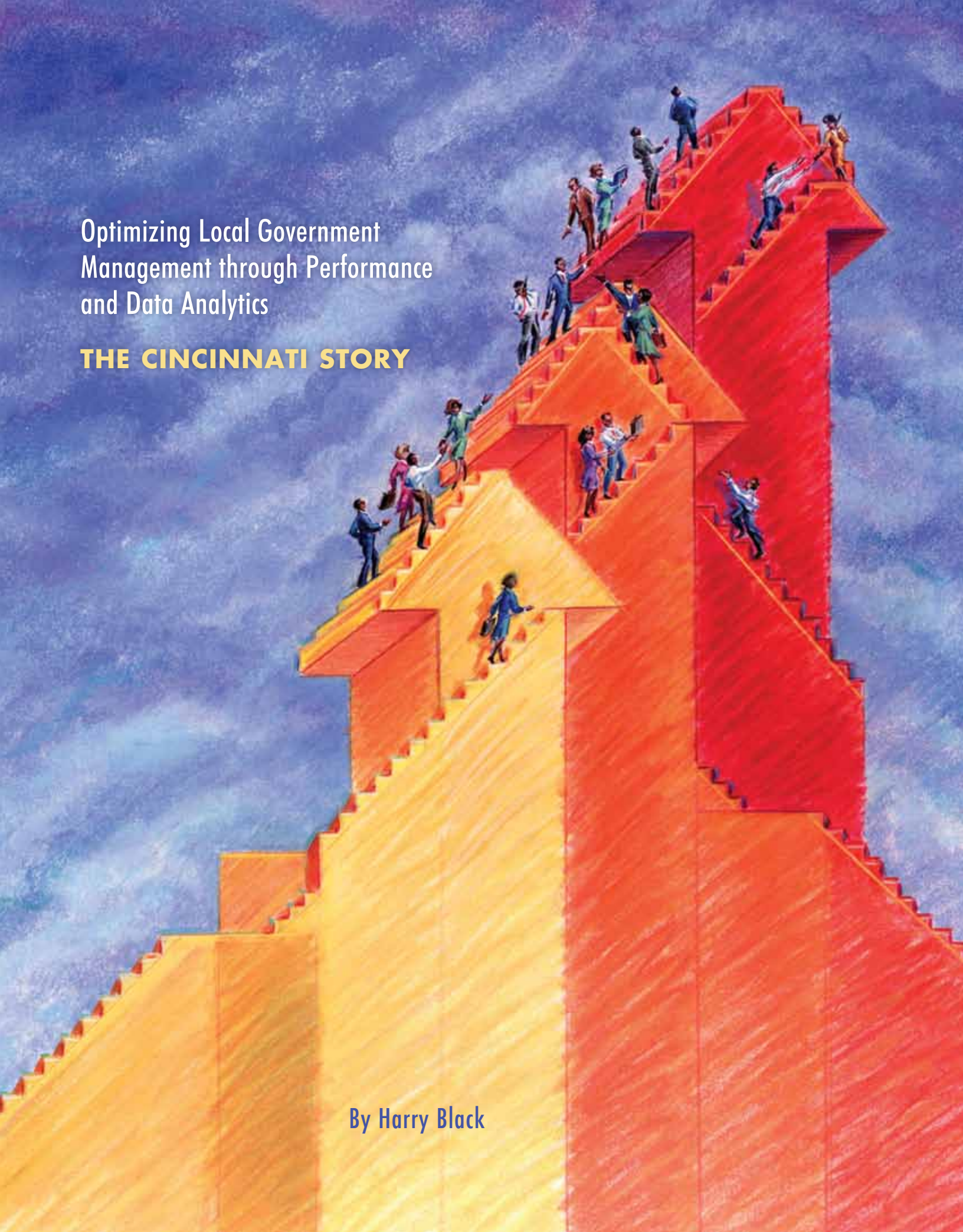

Optimizing Local Government Management through Performance and Data Analytics

THE CINCINNATI STORY

By Harry Black

Government can operate at a high level of performance — although some local governments optimize performance better than others. Public-sector organizations must overcome several built-in challenges, including outdated civil service systems and the challenges presented by labor contracts. Government organizations are also limited in terms of performance incentives that can be offered to the workforce. The challenge is to overcome these issues by integrating sound labor management principles and practices, which can be done through performance and data analytics.

Time is of the essence for local governments in this age of the Internet of things and big data. A fundamental question is "Can government be disrupted?" The answer is yes, and it will happen, brought about by driverless cars, drones, big data-driven algorithms, and robots. The way that we currently conduct business in government will change, requiring fewer people, fewer facilities, and less equipment.

Disruption can be minimized, but only if governments aggressively pursue an examination of what they do and how they do it. Governments need to ask themselves several basic questions every day: Are we making a difference? Are we maintaining and exceeding our customer's expectations? Are we optimizing innovation? Are the impactful things that we are doing sustainable?

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THE CINCINNATI EXPERIENCE

Meetings with more than 150 business, neighborhood, and religious leaders made it clear that Cincinnati was ripe for performance and data analytics. Everyone who took part in these discussions shared a desire for an effective, efficient, and responsive city government that would:

- Improve customer service.
- Be more responsive.
- Improve economic inclusion.
- Overcome infrastructure challenges.
- Reinvent the city's permitting process.
- Enhance safety.

The customer service governments provide does not have to be mediocre, slow, or inadequate. Local government management can be innovative, collaborative, interactive, transparent, and high performing. Performance and data analytics can quickly help local governments with optimizing overall performance, generating economies and efficiencies, and creating operational breakthroughs.

Cincinnati has 6,400 employees across more than 25 departments and a $1.4 billion budget to support a residential population of 300,000. The city has endeavored to achieve a comprehensive and integrated approach that systematically integrates several critical components. The Office of Performance and Data Analytics was approved in October 2014, and Cincinnati then added a chief performance officer and chief data officer. Between October 2014 and May 2015, the city built a standalone state-of-the-art facility that became the Office of Performance and Data Analytics (OPDA). The program was officially launched in May 2015. Housing the core of the program in OPDA — CincyStat, Innovation Lab, and Open Data — has maximized collaboration. Cities rarely connect these functions, and Cincinnati's goal here is to be the best-managed city in America by using its resources better, faster, and smarter.

OPDA has a cumulative impact that pays for itself over time through improved quality of customer service and reduced turnaround times, direct cost reductions and cost avoidance, revenue enhancements, and goodwill. The department's role is to:

- Facilitate transparency and accountability.
- Understand city operations.
- Solve problems creatively and strategically.
- Optimize performance.
- Find opportunities for improvement.
- Nurture enterprise-wide collaboration.

The program has achieved several milestones since its inception. OPDA was established to develop and lead performance initiatives. The city has designed, developed, and deployed performance management agreements with

each department head to set priorities and expectations. It has set up an Innovation Lab for process streamlining (think Lean and Six Sigma). The city hosts bi-weekly CincyStat performance management sessions, and it uses open data to post municipal datasets to the public in traditional formats and in visual dashboard formats. Cincinnati has even dabbled in predictive analytics, applying data science tools to increase effectiveness.

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ONE-PAGE STRATEGIC PLAN

Cincinnati is home to multiple Fortune 500 and Fortune 1,000 corporate headquarters, so the city has a plethora of talent and intellectual resources at the ready. A retired Procter & Gamble executive, who now works with organizations across the country to develop strategic plans, suggested using a one-page strategic plan process (using the One Page Solutions OGSP tool, available at ogsp.org). The strategy, which emphasizes clarity and purpose, helped the city hone in on what success would look like. And more importantly, it kept the city from putting together a typical three-ring binder plan that could just collect dust on a shelf. The one-page strategic plan has five sections:

1. Mission: A concise statement of why we are here or what we do.
2. Objective: What does success look like?
3. Goals: Metrics that will track progress against the objective.
4. Strategies: The "How."
5. Plans: The most important projects/actions that define each strategy.

City officials used this process to establish five priority goals:

1. Innovative government.
2. Fiscal sustainability and strategic reinvestment.
3. Thriving and healthy neighborhoods.
4. Safe streets.
5. A growing economy.

PERFORMANCE MANAGEMENT AGREEMENTS

The city's performance management agreements, entered into by the city manager and individual department heads, are a relatively new concept. These agreements are tied directly to the one-page strategic plan, integrated into the city's budget process and employees' annual reviews, and published. Since these agreements were introduced, the city has established 100 department-level priority initiatives and identified more than 1,500 data points for city departments to regularly collect and report, ensuring that all ships sail in the same direction.

INNOVATION LAB

Cincinnati's Innovation Lab is a collaborative facility that helps redesign and streamline municipal processes to deliver better, faster, more economical, and smarter service. City officials identify and determine the scope of projects before an Innovation Lab event; facilitators help apply Lean and Six Sigma principles to optimize efficiency and effectiveness. Everyone is equal in the Innovation Lab, and all viewpoints are sought out. The Innovation Lab experience can be rejuvenating and often evokes passion, which is good for team building and camaraderie.

The city has had many successes as a result of the Innovation Lab, with one of the biggest being the streamlining of its building permit review and approvals process, halving city approval times (from 10.5 weeks to three to five weeks). The city also conducted permit fee analysis to ensure that fees are competitive

and to target fee increases toward complicated projects, adding resources to streamline cooperation among departments.

Another success involved eliminating utility bill late fees. At one time the city received nearly 300 utility bills. Payment was consistently late because there was no process in place to manage it, leading to approximately $133,000 a year in late fees. The Innovation Lab shed light on the issue, and the city now pays the bills on time. It has also realized productivity gains as a result of not having 300 people involved in paying these bills.

CINCYSTAT

CincyStat is the city's primary tool for improving performance and strategic outcomes. It is a leadership strategy that mobilizes city agencies to produce specific results. The chief performance officer leads a series of regular, periodic meetings with the city manager and leadership team, and each department's leadership. In the meetings, data are used to analyze past performance, set new performance objectives, and examine overall performance strategies.

Stat programs are characterized by four core tenets:

1. Accurate and timely intelligence that is shared by all.
2. Effective tactics and strategies.
3. Rapid deployment of resources.
4. Relentless follow-up.

A traditional Stat room consists of a podium for the agency head and agency staff to address questions from the panel. The panel consists of the city manager, assistant city managers, chief performance officer, and the heads of the budget, finance, GIS, human resources, legal, and information technology departments. Two projectors display charts and other information from a particular Stat memo. The city's data come from databases, the customer service request system, and the geographic information system. Software applications are used to help organize data and help with visualizing it. Performance analysts also conduct fieldwork that is integrated into the Stat process.

A comprehensive executive briefing memorandum is prepared for every meeting. It serves as the focal point for discussion, providing status updates on recurring operations and short-term and long-term projects. It also allows the city to monitor core operations using key performance indicators. A meeting delves into specific issues with background information, analysis, charts, and questions, seeking opportunities for improvement.

Once a Stat session with a department concludes, the city's performance analyst prepares a follow-up memo to the department, summarizing the session and identifying follow-up items to be addressed at the next Stat session.

Since OPDA's inception, Cincinnati's performance management programs have had a profound impact on improving service delivery and overall efficiency. The city has been able to eliminate customer service request backlogs related to its transportation, engineering, and public services departments. The city has also achieved an initial 7 percent increase in average overall customer satisfaction by using feedback from more than 1,400 surveys.

OPEN DATA

The city launched its new CincyInsights website in early 2017, providing a showcase for a range of interactive public dashboards that provide the entire community with access to city data. These user-friendly visualizations take existing city data found in the city's Open Data Cincinnati portal (data.cincinnati-oh.gov/) and translate the content into graphic heat maps and charts. Users can interact with and easily analyze

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mapped data using filters such as neighborhood location, date, and activity type. Dashboards range from real-time snow removal tracking information to in-progress road projects to heroin overdoses. Each dashboard is organized according to the city's five strategic priorities.

Giving this tool to the general public encourages individuals and groups to develop creative ways of engaging with, improving, and serving the community. The CincyInsights project is an extension of the city's overall commitment to transparency and data-driven government innovation.

The city's geographic information system (GIS) is crucial in powering CincyInsights. (See Exhibit 4.) The GIS is an enterprise-wide information system that provides access to real-time data for decision support, leading to improvements in the coordination, efficiency, and quality of public service. The system embeds existing business rules and the management of information resources directly into departmental workflows, all made possible through the innovative integration of GIS technology with automated business process workflow software.

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Cincinnati's data strategy, deployed citywide, ensures transparency and enhanced customer service through frequent publication of high-quality data for public consumption while enhancing performance management.

CONCLUSIONS

Cincinnati's performance and data analytic initiatives have enhanced customer service delivery, increased accountability, and stimulated economic activity through information sharing. And it is positioned to continue doing so in the future. The project was made possible by strong executive leadership, starting with the mayor and city council, who embraced the approach from the beginning. And the thousands of employees who have made important contributions in developing and implementing these changes are to be commended. OPDA has generated a 7-to-1 return on investment and has enhanced fiscal monitoring and financial oversight.

See examples of ways in which OPDA initiatives have helped mitigate expenditures, increase revenue, and save time, and improve fiscal monitoring and financial oversight at gfoa.org.cincinnati-story.

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